

Presentation to the ISCe Satellite Investment Symposium



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Today's Topics

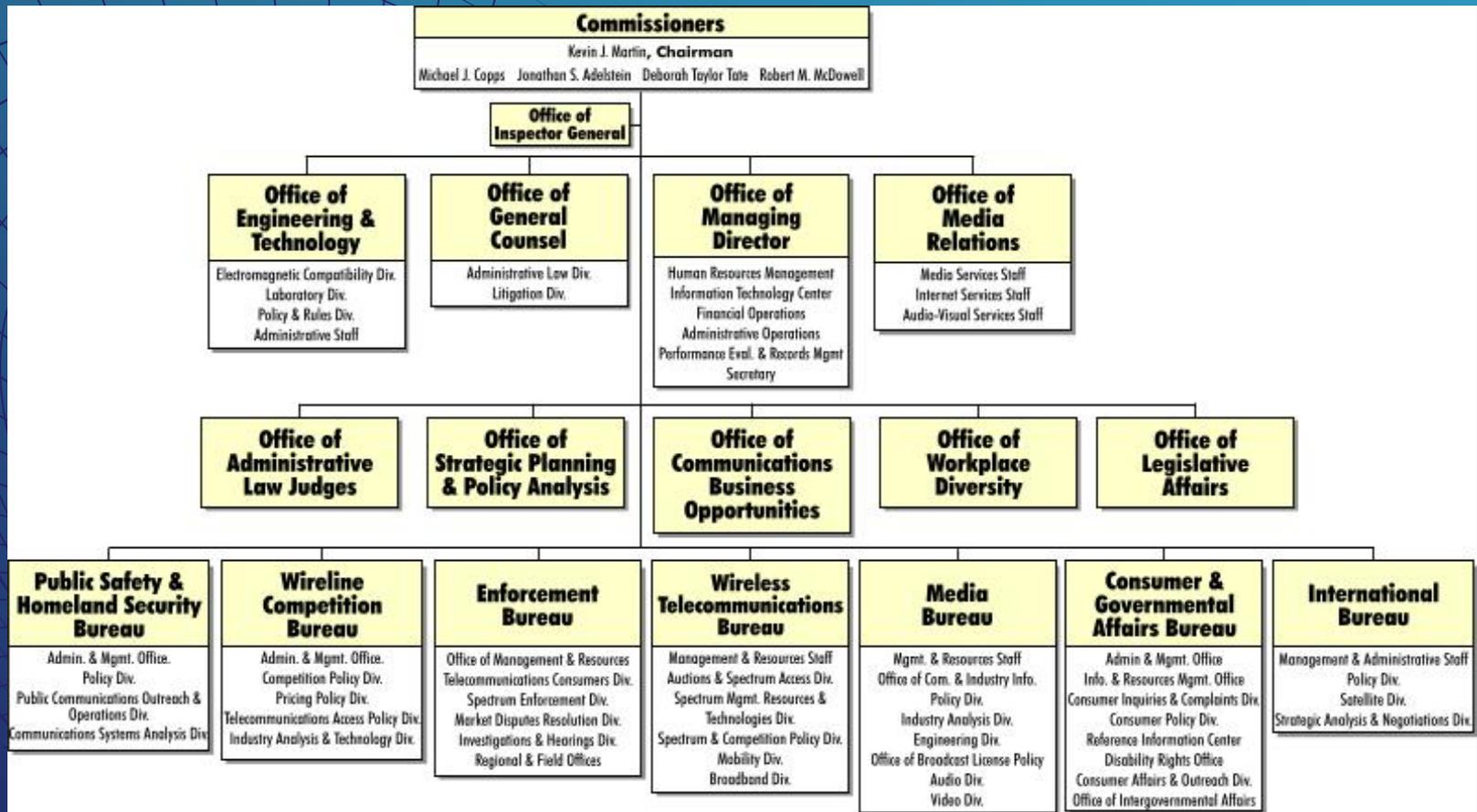
- ◆ The FCC's Strategic Goals
- ◆ Examples of International Bureau Matters That Further Those Goals
 - Spectrum—Making it Available for Innovative Services
 - ◆ 17/24 GHz
 - ◆ ATC Licensing
 - Competition
 - ◆ Annual Satellite Competition Report
 - ◆ Transactions
 - ◆ XM/Sirius
 - Streamlining
 - ◆ Part 25
 - International Advocacy—WRC-07 Results and WRC-11 Preparations



An Independent Agency

- ◆ Independent of the Executive Branch
- ◆ Directly Responsible to Congress
 - Oversight Committees
 - ◆ Senate: Commerce, Science, and Transportation Committee on Communications
 - ◆ House: Energy and Commerce Committee on Telecommunications and the Internet
 - ◆ Appropriations Committees in Senate and House (Congress Controls the Purse Strings)

The FCC's Organization



International Bureau Objective: Support FCC's Strategic Plan & Goals

◆ The FCC's Strategic Plan

- **BROADBAND** – “All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation.”
- **SPECTRUM** – “Efficient and effective use of non-federal spectrum domestically and internationally promotes the growth and rapid deployment of innovative and efficient communications technologies and services.”
- **COMPETITION** – “Competition in the provision of communications services, both domestically and overseas, supports the Nation's economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services.”
- **MEDIA** – “The Nation's media regulations must promote competition and diversity and facilitate the transition to digital modes of delivery.”

◆ Goals for the International Bureau

- Establish Rules and Policies to Foster and Accommodate Changes in Technologies and Services
- Foster Productive Exchange with Foreign Counterparts

International Bureau Structure

Satellite Division

- ◆ Establishes Policies and Rules and Licenses Commercial Communications Satellites
- ◆ Negotiates and Facilitates Satellite Coordinations
- ◆ Serves as USG Liaison to ITU for Satellite Notifications

Policy Division

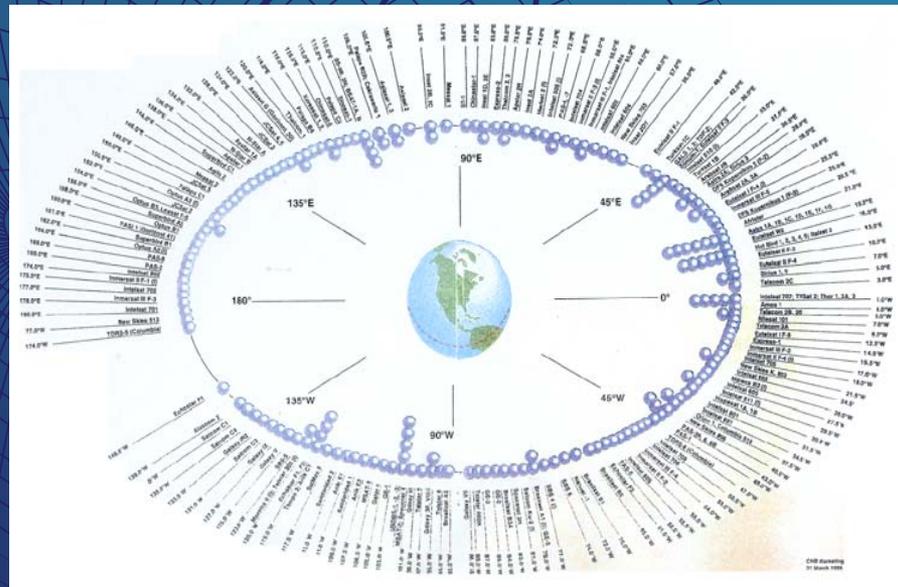
- ◆ Executes Spectrum Sharing Rulemakings
- ◆ Licenses International Facilities
- ◆ Analyzes Foreign Investment
- ◆ Processes International Telecommunications Transactions

Strategic Analysis and Negotiations Division

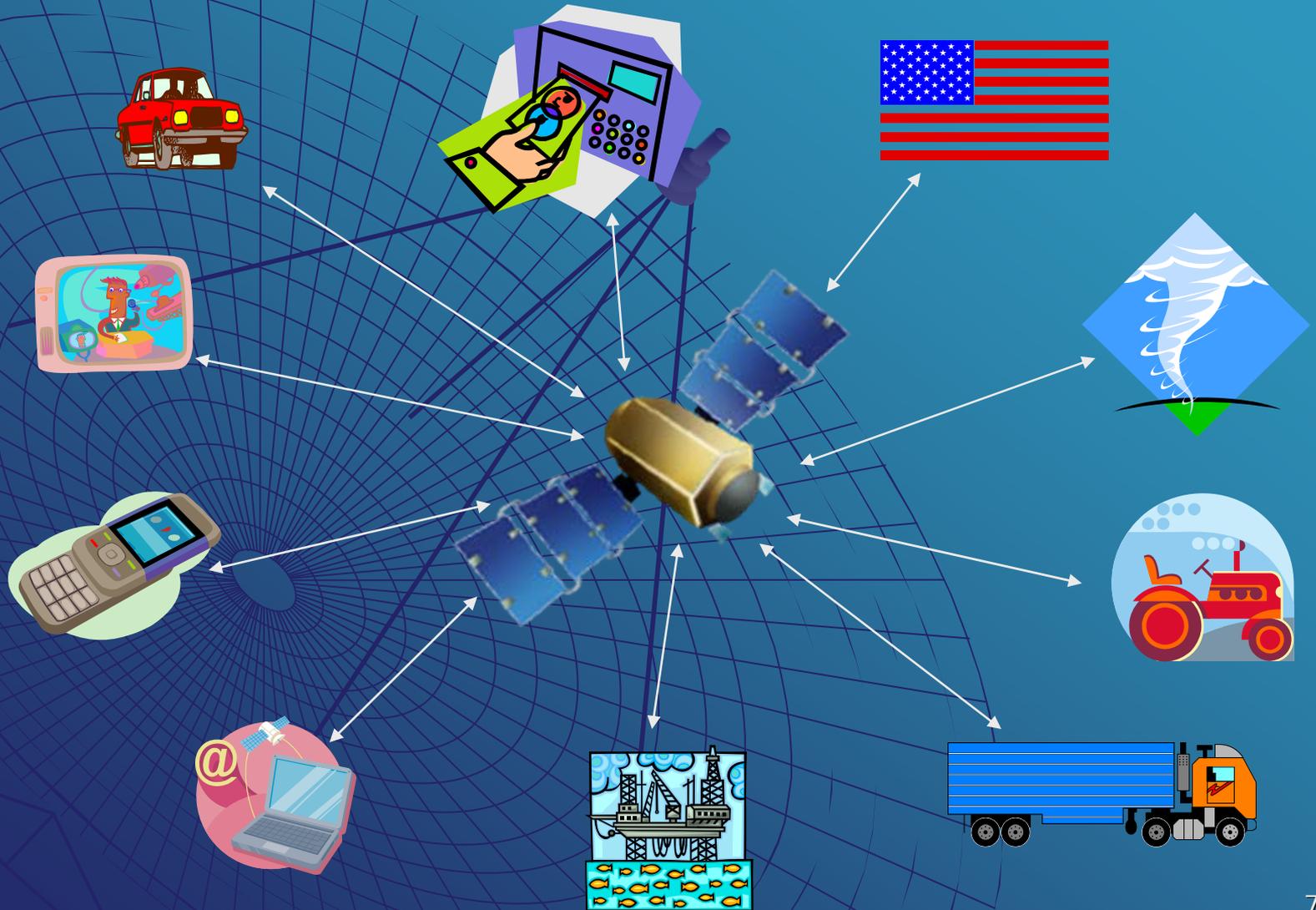
- ◆ Serves as Bureau's Representative with Foreign Counterparts
- ◆ Leads Participation in International and Regional Forums (e.g. ITU, OECD, CITELE, APEC)
- ◆ Negotiates and Oversees Compliance with Cross Border Spectrum Agreements
- ◆ Leads Commission's Preparations and Efforts in Support of World Radiocommunication Conferences

A Word About Commercial Communications Satellites

- ◆ How Do Commercial Communications Satellites Impact the Economy?
- ◆ Why is the International Bureau the Part of the FCC Responsible for Regulating Commercial Communications Satellites?



Satellites And the Economy



IB Role: Commercial Satellites

- ◆ Satellites are Inherently International
 - Satellite Footprints Cover Multiple Countries
 - Orbital Locations and Satellite Spectrum Bands are a Scarce Resource Used Internationally
- ◆ Stages of Regulatory Process
 - ◆ Allocate Spectrum
 - ◆ Determine the Method for Assigning Licenses
 - First-Come, First-Served Licensing Queue
 - ◆ Adopt Service Rules
 - ◆ Process Applications and Issue Licenses
 - ◆ Ensure Milestone Compliance
 - ◆ Note: Satellite Licenses Subject To ITU Coordination

17/24 GHz Broadcasting Satellite Services



- ◆ Establishes Framework for Provision of BSS and Broadband-Type Services
- ◆ Makes 400 MHz of New Spectrum Available for Commercial Satellite Use
- ◆ Facilitates Rapid Introduction of New and Innovative Services to U.S. Consumers Through First-Come First-Served Licensing Approach for New Applications
- ◆ Promotes Increased Competition Among Satellite and Terrestrial Services

Ancillary Terrestrial Component (ATC)



- ◆ **ATC Allows Satellite Operators To Re-Use Their Satellite Spectrum to “Fill Gaps” in Their Satellite Coverage where The Satellite Signal is Unavailable, such as Inside Buildings**
 - This Supports the Commission’s Goal to Foster Efficient and Flexible Use of Spectrum and Promote Broadband Services
- ◆ **The General Rules for ATC Were Established in 2003**
 - 2003 Decision Adopted Gating Criteria to Ensure the Satellite Component is Not Degraded
 - ◆ Geographic and Temporal Satellite Coverage Requirements
 - ◆ Replacement Satellite – In-Orbit Spare
 - ◆ Commercially Available MSS
 - ◆ Integrated MSS and ATC Service
 - ◆ In-Band Operation
- ◆ **ATC Now in the Implementation Phase**
 - Two ATC licenses Issued (MSV, Globalstar)
 - Two New Licenses under Consideration (ICO, TerreStar)

Satellite Competition Report



- ◆ **FCC's Second Annual Competition Report**
- ◆ **Report Responds to Congressional Requirement to assess market conditions with respect to domestic and international satellite communications services.**
- ◆ **First report issued in March 2007**
 - examined six wholesale and two retail satellite services markets for the period of 2000 through 2006.
 - Found effective competition in these markets, based on a range of standard economic indicators commonly used to assess market concentration, conduct and performance.

Foreign Investment in U.S. Telecommunications Facilities



- ◆ Section 310 of the Communications Act Permits Certain Foreign Ownership of U.S. Telecommunications Facilities Provided the FCC Approves the Ownership
- ◆ FCC Coordinates with the Executive Branch for Review of National Security Issues
- ◆ Notable Cases
 - Deutsche Telekom's Acquisition of VoiceStream Wireless in 2001
 - Singapore Technologies Telemedia's Acquisition of Global Crossing in 2003
 - NTT DoCoMo's Acquisition of Guam Cellular and Paging and Guam Wireless Telephone Company in 2006
- ◆ Since January 2007, We Have Approved Requests for Foreign Investment Including 4 Satellite-Related Commission Level Approvals
 - Loral/Telesat
 - Intelsat/Serafina
 - Stratos/Robert Franklin (Trustee)
 - MSV/SkyTerra

In the works



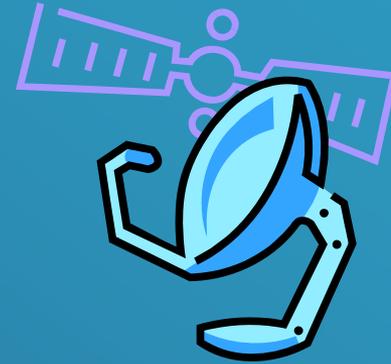
- ◆ Pending/Upcoming Satellite-Related Applications
 - Inmarsat/Stratos
 - Harbinger/SkyTerra
 - Greenhill/Iridium

Sirius/XM Transaction



- ◆ Sirius/XM Transaction approved July 28, 2008
- ◆ Commission concluded that, with voluntary commitments and other conditions, the transaction would serve the public interest.
- ◆ Key Conditions:
 - Price caps
 - A la carte program offerings
 - Capacity for qualified entities
 - Interoperable receivers
 - No exclusive manufacturing contracts

Part 25 Streamlining



- ◆ Facilitates routine licensing of innovative earth station technologies by adopting updated technical criteria.
 - Recent order adopts off-axis EIRP density envelope. Envelope represents a combination of antenna diameter requirements and power limits in one equation.
 - This gives earth station operators more flexibility over antenna size and power level.
 - Earth station applicants can now compensate for a smaller-than routine antenna by reducing its power level, without sacrificing routine licensing treatment.

World Radio Conference (WRC)



- ◆ International Telecommunication Union, (a specialized United Nations agency) holds WRCs every 3-4 years
- ◆ Last WRC in October/November of 2007 in Geneva, Switzerland
 - Preserve 3400-4200 MHz, "C-band"
- ◆ Next WRC in October/November of 2011
 - additional spectrum for aeronautical mobile-satellite service
 - additional allocations to the mobile-satellite service
 - regulatory procedures pertaining to satellite networks
- ◆ FCC's WRC Advisory Committee
 - open membership structure
 - <http://www.fcc.gov/ib/wrc-11/>

Summary

- ◆ International Bureau Seeks to Further the FCC's Goals (Broadband, Competition, Spectrum, Media)
 - Establishing Rules and Policies to Foster and Accommodate Changes in Technologies and Services
 - Assessing Competition in the Satellite Industry
 - Fostering Productive Exchange with Foreign Counterparts
- ◆ Goals are to Create Competitive Opportunities for Innovative Technologies and Services, and to Preserve a Stable Spectrum Regulatory Foundation, Domestically and Internationally
- ◆ Industry and Government's Shared Tasks are Multi-Faceted, Technically and Legally Challenging, and Push the Envelope

A blue background with a white grid pattern. A purple pushpin is pinned to the grid, with its point resting on the text "Thank You!".

Thank You!

<http://www.fcc.gov/ib/>